

July 13, 2004

Mr. Daniel J. Malone
Site Vice President
Palisades Nuclear Plant
Nuclear Management Company, LLC
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

SUBJECT: MEETING TO DISCUSS PALISADES PLANT PERFORMANCE

Dear Mr. Malone:

This letter refers to the meeting held on July 7, 2004, at 10:00 a.m. CDT at the U.S. Nuclear Regulatory Commission Region III office in Lisle, Illinois. The purpose of the meeting was for the Nuclear Management Company (NMC) to provide its perspective on Palisades plant performance.

At the meeting, NMC presented an overview of recent plant performance at Palisades which included areas where plant performance has been perceived by NMC to be good as well as areas requiring additional attention. NMC's presentation also included a discussion of plant performance indicators used to monitor areas of plant performance of particular interest to the Palisades staff. At the end of the presentation, NMC discussed future plant performance goals and milestones.

The handout provided by NMC at the meeting and a listing of principal NMC and NRC attendees are attached as Enclosures 1 and 2 to this letter.

In accordance with 10 CFR 2.390 of the NRC's "Rule of Practice," a copy of this letter and its enclosures will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

D. Malone

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If you have any questions regarding this letter, please contact me at (630) 829-9628.

Sincerely,

/RA/

Eric R. Duncan, Chief
Reactor Projects Branch 6

Docket No. 50-255
License No. DPR-20

Enclosures: 1) NMC Handout
2) List of Principal Attendees

cc w/encl: J. Cowan, Executive Vice President
and Chief Nuclear Officer
R. Fenech, Senior Vice President, Nuclear
Fossil and Hydro Operations
D. Cooper, Senior Vice President - Group Operations
Manager, Regulatory Affairs
J. Rogoff, Vice President, Counsel and Secretary
A. Udrys, Esquire, Consumers Energy Company
Director of Nuclear Assets, Consumers Energy Company
Supervisor, Covert Township
Office of the Governor
Michigan Department of Environmental Quality -
Waste and Hazardous Materials Division
Michigan Department of Attorney General

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PLANT PERFORMANCE MEETING PRINCIPAL ATTENDEES
July 7, 2004, at 10:00 a.m. CDT

NMC - Palisades Nuclear Plant

D. Cooper, NMC Senior Vice President - Group Operations
D. Malone, Site Vice President - Palisades
W. Hettel, Plant Manager - Palisades
L. Lahti, Regulatory Affairs Manager - Palisades
D. Malone, Regulatory Compliance Supervisor - Palisades

NRC

J. Caldwell, Region III Administrator
P. Hiland, Acting Deputy Director, Division of Reactor Projects, Region III
R. Caniano, Deputy Director, Division of Reactor Safety, Region III
E. Duncan, Chief, Branch 6, Division of Reactor Projects, Region III
R. Lerch, Project Engineer, Division of Reactor Projects, Branch 6, Region III
M. Garza, Palisades Resident Inspector